

**THE REGULAR MEETING
OF THE MAYOR AND CITY COUNCIL OF BENSON, ARIZONA
HELD JANUARY 13, 2020 AT 7:00 P.M.
AT THE BENSON COMMUNITY CENTER, 705 W. UNION STREET, BENSON, ARIZONA**

CALL TO ORDER:

Mayor King called the meeting to order at 7:12 p.m. with the Pledge of Allegiance. Mayor King thanked Officer Cameron Judd and Officer Andrew Judd for being in attendance.

ROLL CALL:

Present were: Mayor Toney D. King, Sr., Vice Mayor Joe Konrad, Councilmembers: Pat Boyle, Larry Dempster, Lupe Diaz, Barbara Nunn and Nick Maldonado.

INVOCATION:

Mayor King introduced Father Martin Atanga from Our Lady of Lourdes Catholic Church who gave the invocation.

EMPLOYEE RECOGNITION: None

PROCLAMATION: None

CITY MANAGER REPORT:

City Manager Vicki Vivian addressed Council, giving the dates of upcoming meetings and events.

- Saturday, January 18, 2020 – Historic Preservation Commission, 9:00 a.m., Long Realty
- Monday, January 27, 2020 – City Council Worksession, 6:00 p.m., Community Center
- Monday, January 27, 2020 – City Council Meeting, 7:00 p.m., Community Center

- Thursday, January 16, 2020 – Library Guest Speaker Morgen Hartford
10:30 a.m., City Library
“Understanding Alzheimer’s and Dementia”
Learn about the impact of Alzheimer’s; the differences between Alzheimer’s and Dementia: and the disease stages and risk factors.

- Monday, January 20, 2020 – Martin Luther King Day, City Offices Closed

- Thursday, January 23, 2020 – Library Guest Adult Speaker George Whitehead
10:30 a.m., City Library
“A Dragoon Landmark, a Quarter Horse Hallmark”
Cochise County’s FF Ranch, Rose Fulton, and Quarter Horse Breeding.

- Thursday, January 23, 2020 – Arizona Office of Tourism and The City of Benson –
Focus Group 7:15 p.m. to 8:45 p.m., Community Center
They’re looking for one person per household who resides in Benson six months of the year. The Arizona Office of Tourism needs help to learn more about the way Arizona residents feel and think about tourism. There will be refreshments served. Please contact Dr. Christine Vogt at chriv@asu.edu or 810-588-3293. Leave a message with your name and phone number by Monday, January 13, 2020. (Extended deadline to seek 1 additional person)

Mayor King then stated he recently visited the Library and it was absolutely packed with people, adding the Guest Speaker Library Programs are going very well and are a lot of fun; he suggested everyone not only try to attend some of these programs but promote and share these opportunities to learn.

NEW BUSINESS:

1. **Discussion and possible action on the Consent Agenda**

- 1a. Minutes of the May 28, 2019 Regular Meeting
- 1b. Minutes of the October 29, 2019 Worksession
- 1c. Appointment of Cindy Allen to the Benson Historic Commission
- 1d. Invoices processed for the period from November 27, 2019 through December 31, 2019

Vice Mayor Konrad moved to table Items 1a. and 1b. to a future agenda and approve the remainder of the Consent Agenda. Seconded by Councilmember Nunn. Motion passed 7-0.

2. **Presentation of the 2019 Festival of Lights Appreciation Plaque to Sulphur Springs Valley Electric Cooperative**

City Manager Vicki Vivian stated the City Festival of Lights parade was held December 7 followed by the Christmas Tree Lighting at City Hall, adding each year the parade and event get better and better, noting there were 32 entries in the parade this year. Ms. Vivian then expressed gratitude on behalf of the City of Benson to SSVEC for being an eight-year sponsor of the light parade. Ms. Vivian said SSVEC provided floats to ride on, donated impressive gifts to the first and second place float winners, and that their ongoing support to the City was greatly appreciated. Mayor King handed the 2019 Appreciation Plaque to the two SSVEC representatives, Lisa Tomerlin and Cory East, recognizing their continued support with the City Festival of Lights Parade. Mayor King expressed his gratitude to SSVEC for the truly amazing things they do for our community, adding they do not only have his personal appreciation but everyone else's as well.

3. **Discussion and possible action regarding Resolution 1-2020 of the Mayor and Council of the City of Benson, Arizona, prescribing the compensation to be paid to the Mayor and City Councilmembers for the performance of their Official Duties**

City Manager Vicki Vivian stated this item was previously discussed at the October 29 and then tabled until the Council meeting on December 9, when an approved motion directed Staff to bring back the required documentation to effectuate an increase, as written in the proposed Resolution 1-2020, for Council action. Ms. Vivian then stated the last Council compensation increase was in 2007 raising the Mayor's compensation from \$200 per month to \$400 per month and raising the Councilmembers' compensation from \$100 per month to \$200 per month, adding when this was done, the new salaries went into effect for Councilmembers who were elected to the Council after this action was approved.

Ms. Vivian then stated Resolution 1-2020 increases compensation for the Mayoral seat to \$800 per month and for the Council seats to \$400 per month; then stated with the City's next election occurring in the fall of 2020, any salary adjustment will be for those elected to Council and seated in January of 2021, which the Councilmembers' whose terms do not expire until December of 2022 would continue to receive their current salary.

Ms. Vivian then stated the total current compensation for Mayor and Council would be \$19,200; and with payroll taxes and workers' compensation, the total budgeted amount is \$20,715. Ms. Vivian then stated since the election will occur in Fiscal Year 2020-2021, any changes to Mayor and Council compensation would be included in the upcoming budget cycle, reiterating that no changes would be effective until January 2021, which would be mid-way through the fiscal year.

Mayor King opened the item for discussion. Councilmember Boyle asked how the increase raised the total overall price with Ms. Vivian stating the new total compensation for Council would increase to approximately \$41,500 per year.

Councilmember Boyle moved to approve Resolution 1-2020. Seconded by Councilmember Dempster. Motion passed 5-2 with Vice Mayor Konrad and Councilmember Nunn voting nay.

4. **Discussion and possible action regarding Resolution 2-2020 of the Mayor and Council of the City of Benson, Arizona, authorizing the City Manager to accept funding through the USDA Rural Economic Development Loan Grant (REDLG) Program, as administered by Arizona G&T Cooperative to purchase and install Fuel Farm Equipment at the Benson Municipal Airport**

City Manager Vicki Vivian stated the issue of a fuel farm has been a topic of discussion with Staff being directed to gather information from other cities and airports that have installed fuel farms. Ms. Vivian stated in all cases, fuel sales increased with the availability of self-serve fuel. Ms. Vivian then noted the Council also included the installation of a fuel farm as an action item in the Council's strategic plan.

Ms. Vivian then stated after discussing financing options for the project, Council directed Staff to apply for funding through the USDA Rural Economic Development Loan & Grant Program as administered by Arizona G&T Cooperatives, adding the project application was successful and was approved in the amount of \$360,000. Ms. Vivian then reviewed the approved funding, stating it is in the form of two separate loans; \$182,231.00 at zero percent interest for ten years and \$177,769 at three percent interest for ten years, noting the total monthly payment is estimated to be \$3,235.15 or \$38,821.80 per year.

Ms. Vivian then stated with the final steps being completed, executing the documentation to close on the loans can be scheduled at the Title Company and Resolution 2-2020 authorizes the City Manager or her designees to execute all documents necessary to facilitate acceptance of the funds and directs Staff to take all actions necessary and proper to accomplish the project.

Councilmember Boyle moved to approve Resolution 2-2020. Seconded by Councilmember Nunn. Motion was approved 7-0.

5. **Discussion and possible action regarding Resolution 3-2020 of the Mayor and Council of the City of Benson, Arizona authorizing the City to enter into an Agreement with Bassco Services, Inc. for an Aircraft Fuel Storage and Delivery System at the Benson Municipal Airport in an amount not to exceed \$418,246.00**

Mr. Brad Hamilton, Public Works Director/City Engineer, stated in addition to the loan package, a bid was put out for the equipment at the airport and the City received two responsive bidders: American Environmental Aviation, Inc. and Bassco Services, Inc. Mr. Hamilton then stated both bids were extremely close and competitive as American Environmental Aviation bid \$418,542.00 and Bassco Services, Inc. bid \$418,246.00; then stated Staff recommended entering into an agreement with Bassco Services, Inc.

Mayor King opened the item for discussion. Councilmember Boyle asked Mr. Hamilton when they would begin work on the project with Mr. Hamilton stating once the agreement is authorized and a down payment is made, he will be informed of the production schedule. Councilmember Dempster asked if the bidder would do the installation with Mr. Hamilton stating the bid was strictly for equipment and installation will be done by City crews. Vice Mayor Konrad stated he was very impressed with the bid contents and results, as there was almost no differences between the two bids. Mayor King agreed, stating this also surprised him as he has never seen bids so close in price.

Councilmember Nunn moved to adopt Resolution 3-2020. Seconded by Councilmember Maldonado. Motion passed 7-0.

6. **Discussion and possible action regarding Resolution 4-2020 of the Mayor and Council of the City of Benson, Arizona approving the Intergovernmental Agreement supporting the Cochise County Tourism and Economic Council**

City Manager Vicki Vivian stated the City of Benson, along with other cities and towns in Cochise County, have been a participant of a regional tourism effort led by Cochise County for close to twenty years. Ms. Vivian then stated the Cochise County Tourism Council (CCTC) was governed by the Cochise County Tourism Steering Committee (CCTSC) and members consisted of the City/County Managers, or their designee from each participating jurisdiction. Ms. Vivian then stated since its inception, the CCTC traditionally hired an external consultant to develop and implement the regional tourism strategy, purchase and place ads, design collateral materials and pitch stories about the County and in discussions among the CCTSC it was determined that an advantage of the collaboration was targeting economic development opportunities. Ms. Vivian then stated further discussions at the CCTSC level resulted in changing the name of the CCTSC to the Cochise County Tourism & Economic Council (CCTEC) and the abolishment of the CCTC, with the administration of the CCTEC delegated to County employees and to the Fiduciary Agent of the CCTSC, currently performed by Sierra Vista's in-house staff, which includes a part-time marketing specialist dedicated to the work of the CCTSC. Ms. Vivian then stated the revised IGA reflects the addition of coordinated economic development efforts and amends the name of the CCTSC to the CCTEC; it also reflects a new contribution amount of \$15,000 for all participating cities except Sierra Vista who would continue contributing \$20,000, as they have been historically doing. Ms. Vivian then stated the proposed agreement replaces the current agreement and is valid through June 30, 2020, and automatically renews for three one-year periods, adding cities have the ability to opt out with a 60-day notice but are responsible for their contribution should the notice not be 60 days before the renewal date of July 1. Ms. Vivian then stated the agreement has been approved by the County Board of Supervisors and Bisbee and Sierra Vista.

Mayor King opened the item for discussion. Vice Mayor Konrad stated our neighbor city, Tombstone, was obviously absent from this agreement and some are familiar with their reasons; then added he would like assurance that if something on the tourism side comes along that would be mutually beneficial for Tombstone and Benson to embark upon, we could look at it even though Tombstone is not part of the agreement. Ms. Vivian confirmed that working with Tombstone on specific tourism-related projects could be done, then added the proposed agreement will be reviewed in April with a recommendation on the renewal to come before Council. Mayor King said he concurred with Vice Mayor Konrad because he is unsure if CCTEC is hitting the right point on this and he believes history is the most important component, adding this is something the Council would need to consider before deciding to go further. Ms. Vivian stated the organization has shifted gears and noted the City's current contract is paid for the current fiscal year. Ms. Vivian then stated she met with the City's Visitor Center Tourism Supervisor Bob Nilson to discuss his concerns along with Tombstone's concerns, and prior to proposing any renewal, the accomplishments of the CCTEC will be reviewed so the Council can decide on the renewal. Councilmember Dempster asked Mr. Nilson if this meets with his approval and Mr. Nilson replied it did for now. Councilmember Boyle asking Mr. Nilson if he felt there were financial benefits in supporting this program with Mr. Nilson stating he felt it was beneficial prior to the changes, but that he felt the Tourism Staff was now out of the loop and he is not aware of what they have been doing. Mr. Nilson continued, stating in the previous year he participated and assisted with five tours, but he has not seen opportunities like that this year, adding there has been little communication. Ms. Vivian stated the City already paid the contribution for the current fiscal year before the committee went in a different direction, abolishing the CCTC and switching to the CCTEC; then stated if the Council were to decide not to be part of CCTEC in the future, they could look at using the current contribution to fund other opportunities that could not only help the City but other cities in the County. Mayor King clarified if the Council looked at being able to fund other such opportunities, it would be in the upcoming fiscal year. Councilmember Diaz asked what benefits and services the City we would receive for the increased renewal price of \$15,000 with Ms. Vivian stating in the past, there were publication opportunities, lower advertising rates, collaboration opportunities with the Arizona Office of Tourism, publication of City events at Visitor Centers, and more, adding it was a good team of tourism centered directors and their staff. Ms. Vivian then stated meetings between those tourism directors and their staff have been instituted separately from the Cochise County Tourism organization, noting Mr. Nilson may have more to add. Mr. Nilson stated the CCTC was a great group, noting he chaired the committee 3 separate times over 16 years, but the County Tourism organization has changed quite a bit and he is unsure where it is heading at this point, as no one from that organization has communicated with him as to what they are currently doing. Mr. Nilson then

stated in the past, the CCTC would use cooperative advertising grants, with the first program being the TEAM Grant (Teamwork for Effective Arizona Marketing), which changed to the ARRM Grant (Arizona Rural & Regional Marketing), and is now called the AOT's (Arizona Office of Tourism) Rural Marketing Co-op Program. Mr. Nilson then stated AOT is part of a current study with Northern Arizona University taking place through December of this year and the City should benefit from that information, adding the cost came from the last budget.

Vice Mayor Council Konrad moved to approve Resolution 4-2020. Seconded by Councilmember Boyle. Motion passed 7-0.

7. **Discussion and possible action regarding Ordinance 601 of the Mayor and Council of the City of Benson, Arizona, about maintaining the Privilege License Tax; Repealing Code Provisions that Conflict; Penalizing Violations Thereof; Providing for Severability; Designating an Effective Date and Making Provision for Contracts entered into before August 1, 2015**

City Manager Vicki Vivian stated this ordinance has been brought to Council to consider maintaining the current privilege license tax rate of 3.5 percent that was enacted in 2015, adding 1 percent of the City's current privilege tax collection is approximately \$1.25 million. Ms. Vivian then stated for comparison to other jurisdictions in Cochise County, the bed taxes vary from 2.0 percent to 4.0 percent, with the City's bed tax at 2.0 percent. Ms. Vivian then stated tax on food varies from 1.90 percent in Huachuca City to 3.8 percent in Douglas and privilege tax also varies from 1.90 percent in Huachuca City to 3.8 percent in Douglas. Ms. Vivian then stated as Council has seen, the City is still recovering from the economic downturn, but is on the right track, adding maintaining the current tax rate would further enable recovery and assist with improvements that can be made in the City, as discussed at the recently held Public Forums and the Council level of discussion. Ms. Vivian then stated the City's Financial Consultant, Pat Walker, is on the phone now and is available for questions, adding in the Council's strategic financial worksession, Ms. Walker gave a presentation on where the City is strategically, and she provided a financial plan for the next five years. Ms. Vivian stated in presenting that plan, Ms. Walker spoke about the baseline budget showing our revenues and expenditures, adding Staff then plotted expenditures with anticipated increases, noting she hates to see expenses go up, but they most likely will; then stated Staff programmed for 2.0 percent for cost of living increases, 5.0 or 6.0 percent for health insurance increases, and a little higher rates for public safety because the City does have the liability that is outstanding. Ms. Vivian then stated by programming those things in, it provides a baseline of where the City will be financially. Ms. Vivian then stated the corrected sheets Mr. Judd is distributing to Council right now were discussed in that worksession and Ms. Walker can point out where the City would be without the 1.0 percent, adding she can also answer any questions the Council may have.

Councilmember Diaz made a motion to table Ordinance 601 explaining this is the first time the Council has heard about it and there is more information necessary to make an informed decision. Seconded by Councilmember Dempster.

Vice Mayor Konrad moved to amend the motion to include directing Staff to come back with some numbers. Vice Mayor Konrad then stated five years ago, the Council was provided information that led to the 1.0 percent increase, adding at that time there was a lot of discussion about growth being on the horizon and the Villages of the Vigneto; then noted as everyone knows that the development has been throttled by a never-ending parade of environmental lawsuits so the City hasn't seen that growth. Vice Mayor Konrad then continued, stating the City has seen movement in the right direction, so along with moving this out to a future agenda, he suggested looking at the food tax. Vice Mayor Konrad then stated he would like to see the food tax decrease to 3.0 percent, and asked for Staff to bring some numbers back and make a presentation including the financial impact of the 1.0 percent tax expiring at the end of the year and the financial impact of reducing food tax .5 percent.

Mayor King stated there was a motion to amend the previous motion. City Attorney Gary Cohen asked Councilmember Diaz if he would accept a friendly amendment to his motion to not only postpone the agenda item, but when it does come back on the agenda, to have Staff present the numbers and information Vice Mayor Konrad requested. Councilmember Diaz asked if there was a time limit to put the item back on the agenda with Vice Mayor Konrad stating he did not include one and noted Councilmember Diaz's motion to table the item did not include a

date. Vice Mayor Konrad then stated his amendment is be able to have the information he requested when this agenda item comes up again, so the Council would be prepared with this information to consider. Councilmember Diaz then stated he understood one of the reasons the Council was looking at this was because of the City's credit rating and he was asking to find out how not continuing the 1.0 percent might affect that credit rating so in addition to the information Vice Mayor Konrad stated, he felt the Council also needed information about the impact to the City's credit rating if they should not pass this resolution.

City Attorney Cohen asked Councilmember Diaz if he would accept the amendment to his motion to include along with the item being postponed to a date uncertain, that when it does come back, Staff will also be presenting on the numbers and information requested by Vice Mayor Konrad and the credit rating information he just mentioned with Councilmember Diaz stating he would. Mr. Cohen then asked Councilmember Dempster, as the second on Councilmember Diaz's original motion, if he would accept the amendments to the motion with Councilmember Dempster stating he first had a question for Vice Mayor Konrad; and asked him to clarify if the scenario-based information was based on .5 percent rather than 1 percent. Vice Mayor Konrad stated he is asking for those scenarios. Councilmember Dempster then stated in these scenarios he would like to see the impact on capital items and operational items. Vice Mayor Konrad then clarified he was asking for specific dollar amounts and how they would affect the budget for the upcoming year. Councilmember Dempster asked if the information would include the budget items affected with Vice Mayor Konrad stating it generally would, adding Staff will present the numbers and Council can see what would go away with the decrease in revenues. Councilmember Dempster the stated he would accept the amendments, seconding the motion to amend.

Mayor King asked if there was any further discussion. Councilmember Dempster asked if everyone understood the motion with Mr. Cohen stating there was a motion and a second to postpone Agenda Item 7 with a caveat that when it comes back on a future agenda, Staff will be prepared to address all the issues that have been mentioned here by Vice Mayor Konrad, Councilmember Diaz and as clarified by Councilmember Dempster. Councilmember Diaz noted that the information Staff brings back won't be limited to those items with Vice Mayor Konrad agreeing and adding that the Council has the opportunity in the meantime, to reach out to Staff and add any information they deem necessary for an informed decision.

Motion passed 6-1 with Councilmember Boyle voting nay.

EXECUTIVE SESSION: Pursuant to A.R.S. § 38-431.03 (A)(3) & (7), for discussion or consultation for legal advice with the attorney or attorneys of the public body and discussions or consultations with the Mayor and Council's designated representatives to consider its position and possibly instruct its representatives regarding negotiations for the purchase, sale, lease, or exchange of city-owned real property.

No executive session was held.

ADJOURNMENT:

Vice Mayor Konrad moved to adjourn at 7:48 p.m. Seconded by Councilmember Nunn. Motion passed 7-0.

Toney D. King, Sr., Mayor

ATTEST:

Vicki L. Vivian, CMC, City Clerk